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Adaptation Committee workshop on accessing the Readiness and Preparatory Support Programme of the Green Climate Fund for adaptation

Report by the secretariat

Summary

This is a report on the Adaptation Committee's workshop on accessing the Readiness and Preparatory Support Programme of the Green Climate Fund, which was held in Sharm El Sheikh, Egypt, on 6 April 2018, during NAP Expo 2018 with a view to informing the assessment of progress in the national adaptation plan process. The report covers the key issues addressed at the workshop, including accrediting direct access entities and accessing the Readiness and Preparatory Support Programme for the formulation of national adaptation plans and/or other adaptation planning processes. It concludes by proposing ways to enhance access and accreditation.

I. Introduction

1. On the basis of decision 4/CP.21, paragraph 10, in which the Adaptation Committee (AC) and the Least Developed Countries Expert Group (LEG) were requested to consider how they can provide more information on accessing funding from the Green Climate Fund (GCF) for the process to formulate and implement national adaptation plans (NAPs), the AC agreed to engage continuously with the GCF in order to understand its policies and programmatic priorities relating to adaptation. It included in its 2016–2018 workplan¹ the following activities:

(a) The development of an information paper on the experience of countries in accessing the GCF Readiness and Preparatory Support Programme (hereinafter referred to as the Readiness Programme), including for the formulation of NAPs, in collaboration with the GCF, the LEG and the Standing Committee on Finance;

(b) The organization of a workshop to advance understanding and overcome challenges related to establishing national accredited entities and accessing the Readiness Programme.

2. The AC developed the information paper² on the basis of surveys and in-person or telephone interviews conducted during 2016 and the first half of 2017. The paper synthesizes the experience of countries in accessing the Readiness Programme and provides initial lessons learned and examples of good practice. It summarizes the recommendations of countries and delivery partners on how to improve access to the Readiness Programme and highlights challenges in the areas of: information and communication; the establishment of national designated authorities (NDAs) and/or focal points; country coordination mechanisms and national accredited entities or national delivery partners; and the development of proposals for funding under the Readiness Programme, including for the formulation of NAPs and/or other adaptation planning processes. Recommendations drawn from the paper informed Parties' deliberations on the guidance to the GCF contained in decision 9/CP.23.

3. The Subsidiary Body for Implementation, at its forty-seventh session, welcomed the work of the AC on the information paper and noted that the paper would inform the workshop referred to in paragraph 1(b) above, which would in turn inform the assessment³ of progress in the NAP process.⁴ In addition, the assessment of progress will be informed by the synthesis report⁵ on progress towards the achievement of the objectives of the process to formulate and implement NAPs and by a meeting of Party experts⁶ and the report⁷ thereon.

II. Proceedings

4. The workshop took place on 6 April 2018 during NAP Expo 2018 in Sharm El Sheikh, Egypt. It was facilitated by members of the AC and comprised sessions on the following:

(a) Experience and lessons learned in relation to direct access accreditation;

(b) Experience and lessons learned in accessing the Readiness Programme for the formulation of NAPs and/or other adaptation planning processes;

(c) Ways to enhance access and accreditation.

¹ See document FCCC/SB/2016/2, annex.

² AC document AC/2017/2, available at https://unfccc.int/files/adaptation/groups_committees/adaptation_committee/application/pdf/ac12_8ai_readiness.pdf.

³ In accordance with decision 4/CP.21, paragraphs 11–13.

⁴ FCCC/SBI/2017/19, paragraph 71.

⁵ FCCC/SBI/2018/INF.1.

⁶ See <https://unfccc.int/node/28634>.

⁷ FCCC/SBI/2018/6.

5. Presentations⁸ were made by: the AC on the findings in the information paper referred to in paragraph 1(a) above and the resulting guidance from the Conference of the Parties to the GCF; the LEG on its work with regard to accessing the GCF for adaptation; the GCF secretariat on the status and progress of the Readiness Programme; and country representatives of Bangladesh on accrediting direct access entities and of Liberia and Viet Nam on accessing the GCF for the formulation of their NAPs.

III. Key issues addressed at the workshop

6. Participants at the workshop exchanged experience, lessons learned and ways to overcome challenges in accessing the GCF for adaptation, in particular its Readiness Programme. The Readiness Programme provides resources in relation to the following four areas, the latter two of which were discussed in detail during the workshop:

- (a) Strengthening of NDAs;
- (b) Strategic frameworks, including support for country programmes and pipeline development;
- (c) Direct access accredited entities, including accreditation, gap assessment and building the capacity of direct access entities to support country programmes;
- (d) Formulation of NAPs and/or other adaptation planning processes.

7. As at 3 April 2018, countries had submitted a total of 268 funding proposals under the Readiness Programme, of which 183 had been approved, 20 had been endorsed and 104 were under implementation (see the table below).

Status of the Green Climate Fund Readiness and Preparatory Support Programme as at 3 April 2018

<i>Readiness area</i>	<i>Proposals submitted</i>	<i>Proposals approved + endorsed</i>	<i>Proposals under implementation</i>	<i>Available funding</i>
Strengthening of national designated authorities (NDAs)	123	109 (105+4)		USD 300 000 per year per country
Strategic frameworks	52	32 (27+5)		Balance not used for NDA strengthening, up to USD 1 000 000 per year per country
Direct access entities	46	42 (39+3)		
National adaptation plans/adaptation planning	47	20 (12+8)		One-time funding of up to USD 3 million per country
Total	268	203 (183+20)	104	

A. Accrediting direct access entities

8. Similar to the Adaptation Fund, under the GCF developing countries can access financial resources for full-scale programmes or projects through national entities, meaning that funding can be channelled to countries directly. This direct access modality is designed to increase country ownership and strengthen alignment with national development plans and policies.

9. As at 3 April 2018, 32 of the 59 GCF accredited entities were direct access entities. According to the GCF secretariat, the GCF is striving to increase the number of direct access accredited entities and their representation in the GCF project pipeline and portfolio,

⁸ Available at <http://napexpo.org/2018/schedule>.

including through the provision of technical assistance and capacity-building in the context of annual regional dialogues and sectoral and subregional workshops.

10. While workshop participants appreciated the efforts of the GCF in enhancing the accreditation of direct access entities, they pointed to a number of challenges. For example, according to participants, the duration of the process to apply for and gain accreditation is too long as the GCF currently faces a backlog of applications resulting in delays of over a year. The current GCF policy of accreditation operates on a first come, first served basis; however, the GCF Board may consider creating alternative approaches including modalities for project-based accreditation, that is to prioritize the accreditation of entities that actually have concrete funding proposals prepared.

11. Other challenges highlighted include the lack of capacity and ownership among NDAs and direct access accredited entities, in particular in cases where consultants were preparing accreditation documents. Similarly, creating or mobilizing an effective country coordination mechanism and ensuring the active participation of sectoral stakeholders in readiness work was referred to by many. In addition, some stressed that, while the objective of the Readiness Programme is to increase national capacity, the procedures for accreditation are perceived by some as too complex.

12. Others pointed out that a more simplified approach to supporting countries engaging with and gaining access to the GCF is to serve as an NDA delivery partner of readiness activities, which does not require accreditation but a much simpler financial management capacity assessment (FMCA). Undergoing FMCA to serve as a readiness delivery partner takes much less time (typically 3–5 months) than accreditation for project implementation and the GCF is striving to further enhance efficiency by engaging the United Nations Office for Project Services in providing support in this regard.

13. However, some participants noted that they were not aware that the FMCA modality could be used to access the different windows of the Readiness Programme and called for the GCF to enhance clarity and transparency on accessing the different GCF programmes.

B. Accessing the Green Climate Fund Readiness and Preparatory Support Programme for the formulation of national adaptation plans and/or other adaptation planning processes

14. In line with the mandate contained in decision 1/CP.21, paragraph 46, the GCF has created a window under its Readiness Programme to support the formulation of NAPs and/or other adaptation planning processes, with maximum grant support of up to USD 3 million per country, accessible through one or more proposals to be implemented by one or more readiness delivery partners.

15. As at 3 April 2018, the GCF had received 47 adaptation planning proposals (of which 15 are from the least developed countries), of which 20 proposals had been approved or endorsed (of which 6 are from the least developed countries). Of the remaining 27 proposals, 25 are with the NDAs pending their resubmission having received feedback support from the GCF secretariat to help to strengthen the quality of the proposal. Significant progress has been made in strengthening the support provided to countries and increasing the quality of proposals for accessing adaptation planning support from the GCF.

16. Several country representatives highlighted good practices in accessing the NAP support window, including the use of national readiness delivery partners, which are chosen by each country's NDA and can be a public or private entity, or government or non-governmental institution, including universities. In addition, the application of the 10 review criteria for proposals to the GCF for the formulation of adaptation planning processes, according to many, has increased the transparency and simplicity of the approval process. The criteria are as follows:

- (a) Strategic focus of the proposal within a national vision;
- (b) Plan to address specific climate impacts and vulnerabilities;
- (c) Financing strategy for each adaptation priority;

- (d) Articulation of theory of change;
- (e) Avoidance of duplication of efforts;
- (f) Stakeholder engagement;
- (g) Gender considerations;
- (h) Private sector investment strategy;
- (i) Monitoring and evaluation;
- (j) Coherence and complementarity with other funds.

17. Nonetheless, participants stressed that challenges remain, including:

(a) Lack of sufficient national resources and/or capacities to coordinate the envisioned adaptation planning and readiness work and to prepare high-quality proposals that would be accepted by the GCF, which results in an over-reliance on external entities⁹ and less country ownership;

(b) Understanding the latest requirements for GCF funding proposals. While some participants felt that the GCF is moving fast, in particular in changing guidance and updating templates, and in the process leaving countries behind, others pointed to the numerous regional and country dialogues that are facilitating a better understanding of GCF policies and guidance;

(c) The need to ensure that proposals to the GCF for the formulation of NAPs and/or other adaptation planning processes are aligned with the guidance of the Conference of the Parties and NAP guidelines and address both objectives of the process to formulate and implement NAPs as well as the guiding principles;

(d) Addressing support needs for a long-term process through limited project-type one-off funding over a fixed time frame;

(e) Aligning adaptation project approaches and activities with country approaches and priorities.

18. Participants also discussed how the different GCF instruments, including the Readiness Programme, the Project Preparation Facility and the larger-scale funding for projects, allow countries to fulfil their adaptation aspirations and create a long-term enabling environment for climate adaptation finance. Many pointed to the need to start with a comprehensive country vision (country programme) on how to use the GCF to realize a bigger vision of climate adaptation finance. On the basis of the country vision, the countries' NDAs can propose projects, readiness delivery partners and direct access accredited entities for projects. Other participants stressed the need to improve the flow of information at the national level between different ministries to increase country ownership and build and maintain national capacities; for example, some suggested that the UNFCCC focal point could serve as a technical backstop to the NDA to the GCF.

19. The formulation of NAPs and/or other adaptation planning processes, according to many participants, serves as an important means to ensure coherence and consistency of GCF programming on adaptation by linking priorities articulated in country programmes and leading to the identification, prioritization and design of project concept ideas. Some participants expressed their confidence that, having undertaken the NAP and/or other adaptation planning processes, countries will have greater capacity to access GCF resources for the implementation of NAPs and/or other adaptation planning processes, including through the simplified approval process¹⁰ for micro-scale projects requiring up to USD 10 million. In this regard, some participants noted that, while under the simplified approval process the project concept note has been simplified, the funding proposal template has not yet been simplified and still requires a pre-feasibility study, a summary of the consultations

⁹ Currently, 80 per cent of NAP proposals are intended to be implemented by just two international delivery partners, which poses a risk to GCF support in this area.

¹⁰ See <https://www.greenclimate.fund/how-we-work/funding-projects/simplified-approval-process>.

with stakeholders and an engagement plan with a grievance redress mechanism, similar for large-scale projects.

IV. Ways to enhance access and accreditation

20. In conclusion, participants appreciated the progress made in recent months in enhancing access to the Readiness Programme for adaptation planning and increasing the accreditation of direct access entities for projects, in particular the value of increased support from the GCF secretariat for building national capacity and supporting the development of proposals for funding under the Readiness Programme by national readiness delivery partners.

21. Participants stressed that:

(a) Accreditation and access to resources are not an end in themselves but rather means to allow countries to better engage with stakeholders and be better prepared to deal with climate change impacts;

(b) The review criteria for the formulation of NAPs and/or other adaptation planning processes are useful and other areas of the Readiness Programme could benefit from having similar transparent review criteria;

(c) In order to have a truly simplified approval process, the funding proposal template needs to be simplified as well;

(d) Accreditation of direct access entities for implementing projects should be considered only when countries have concrete projects in mind, otherwise having national delivery partners might be more efficient.
